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Briefing Notes for
CIA Subcommittee of
House Armed Services
Committee (Vinson
Subcommittee)

10 June 1963

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Briefing for Vinson Subcommittee

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BACKSTOP: IRAN

I. Last week's riots in Iran were dramatic, but they had been foreseen, they were relatively effectively controlled by the army, and they did not do nearly as much damage as indicated by press and radio. The stability of the regime was not threatened, and we think that barring assassination, the Shah will be able to hold the line.

II. The Shah is trying to implement an ambitious program of social and economic reform which includes:

* Redistribution of the bulk of large landholdings to peasants.
* Nationalization of forests.
* Emancipation and franchise for women.
* Sharing of 20% of industrial profits with workers.

A. This is treading on a good many toes, principally the landlords and the religious leaders, since the Moslem religious leaders benefit from large holdings of shrine lands which are being included in the land reform.

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B. The Shah started land reform with extensive royal lands as an example. The national law promulgated in January, 1962, will affect about half of the 50,000 villages in Iran.

1. So far about 4,500 villages have been bought by giving their owners shares in state-owned industry.

2. Some 4,000 villages, valued at $42 million, have actually been parceled out among 120,000 peasant families.

3. Shrine lands are not expropriated, but assigned under 99-year leases, which makes a big dent in religious revenues.

III. The mullahs or village priests are not only irate over the land reform, but particularly over the emancipation of women, which they consider contrary to the Koran. The element of religious fanaticism in the reaction increases the danger that the Shah might be assassinated.

A. The broad reform program has encouraged a flight of Iranian capital controlled by vested interests, and has induced caution on the part of foreign investors.

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B. The attendant economic dislocation makes it easy for the landlords and the mullahs, using equal parts of distress and fanaticism, to stir up the nationalist mobs in the cities, who are generally for hire anyway.

C. Security forces were apparently not prompt enough in their reaction, but operated effectively when army troops went into action.

IV. The regime has been given an excuse to crack down on reactionary opposition and speed up the programs, but may run into further serious rioting, particularly if the religious ringleaders are executed.

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